

The Small Business Administration's 8(a) Mentor/Protege program is designed to encourage approved mentors to provide various forms of assistance to eligible Participants. This assistance may include technical and/or management assistance; financial assistance in the form of equity investments and/or loans; subcontracts; and/or assistance in performing prime contracts with the Government in the form of joint venture arrangements. The purpose of the Mentor/Protege relationship is to enhance the capabilities of the Protege and to improve its ability to successfully compete for contracts.

The required documentation for request of an 8(a) Mentor/Protégé Agreement is enclosed. You should first read the regulations outlined in 13 CFR 124.520, paragraph (a) through (f) to determine if your firm qualifies as a Protégée and if the firm, that you have selected, qualifies as a Mentor. (found here: [http://www.sba.gov/idc/groups/public/documents/sba\\_homepage/sba\\_010233.htm](http://www.sba.gov/idc/groups/public/documents/sba_homepage/sba_010233.htm))

SBA requires that the Protégé firm identify each area of assistance needed in Section 1 (a) through (d) of the application. The protégé must also show how this assistance will help the firm in meeting its business plan targets, goals and objectives, as stated in the firm's original business plan approved by the SBA. The Mentor must describe (in detail) how it will provide the assessed needs of the Protégée with fully developed timelines for each need assessed.

In addition, the Mentor must provide the following information:

1. SBA Form 1623 - Debarments, Suspension and other Responsibility
2. IRS Tax Returns (1120) for the most recent 2 years
3. IRS Form 851
4. IRS Form 8879-C
5. IRS Form 4506-T
6. Audited financial statements for the most recent 2 years
7. Two (2) letters of commendation
8. CCR Profile (Mentor should update this prior to submitting the Mentor Protégé application)
9. Mentor's Narrative letter requesting the SBA's permission to formally enter SBA's Mentor/Protégée's Program addressing all issues outlined in 13CFR 124.520(b) paragraphs 1 through 4.

In addition, SBA Form 1450, page 7 must be completed if the protégée firm is currently participating in any approved mentor/protégé agreement. If the protégée

firm is not currently participating in any approved mentor/protégé agreement, please state so.

All documents must be signed and dated by an authorized representative of the Mentor and Protégée firms.

## 8(a) Mentor-Protégé Application

\_\_\_\_\_ (Mentor Firm Name)/\_\_\_\_\_ (Protégé Firm Name)

### 1. Protégé Qualifications:

- a. The Protégé is in the ☐ developmental ☐ transitional stage. (Check one) Protégé is in year (1 to 9) \_\_\_\_\_ of the 8(a) Business Development Program.
- b. The Protégé ☐ has ☐ has not received any 8(a) contracts.
- c. The Protégé has a size that is less than half the size standard corresponding to their primary NAICS code. Primary NAICS code: \_\_\_\_\_. The size standard is ☐ revenue-based: \$\_\_\_\_\_ million and the average annual receipts are: \$\_\_\_\_\_ ☐ employee based. Number of employees \_\_\_\_\_.
- d. The Protégé ☐ is ☐ is not in good standing with all of SBA rules and regulations:
- (1) The Protégé ☐ has ☐ has not completed their Annual Review requirements.
- (2) The Protégé ☐ has ☐ has not updated their SBA-approved business plan (e.g. SBA Form 1010C) for the most recently completed Program Year.
- (3) ☐ A copy of the most recently updated SBA-approved business plan is enclosed.
- (4) The Protégé has been ☐ suspended or ☐ recommended for suspension; if so, when: \_\_\_\_\_ (MM/DD/YYYY)
- (5) The Protégé was ☐ terminated or ☐ recommended for termination; if so, when: \_\_\_\_\_ (MM/DD/YYYY)
- (6) The Protégé ☐ has ☐ has not met its Federal financial obligations.
- (7) The Protégé ☐ has ☐ has not met their non-8(a) business activity target of \_\_\_\_\_

\_\_\_\_\_ % for the most recently completed Program Year \_\_\_\_\_. The competitive business mix is 8(a) revenues: \$ \_\_\_\_\_ non-8(a) revenues: \$ \_\_\_\_\_

- e. The Protégé stated in Paragraph \_\_\_\_\_ of the Agreement that it ☐ does (*fill in below*) ☐ does not have another SBA approved Mentor/Protégé Agreement.

Mentor's Name: \_\_\_\_\_ Duns #: \_\_\_\_\_

Mentor's Address: \_\_\_\_\_

- f. The Protégé stated that it ☐ is (*fill in below*) ☐ is not participating in any other formal Mentor-Protégé Programs.

Agency's Name: \_\_\_\_\_ Name of Mentor: \_\_\_\_\_

Date of Agreement: \_\_\_\_\_

- g. ☐ A copy of the Protégé's Dynamic Small Business Profile has been reviewed and is included in the file.

## 2. Mentor Qualifications:

- a. The Mentor is primarily engaged in \_\_\_\_\_ industry/service.
- b. The firm was established in \_\_\_\_\_ (MM/DD/YYYY.)
- c. The Mentor is a \_\_\_\_\_ (Small, Large, 8(a) in the Transitional Stage, 8(a) graduate(fill in below), HUBZone, SDB, WOSB, SDVOSB or Foreign) business.

### (1) Complete only if Mentor is an 8(a) in the Transitional Stage:

The Mentor ☐ is ☐ is not in good standing with all of SBA rules and regulations:

(i) The Mentor ☐ has ☐ has not completed their Annual Review requirements.

(ii) The Mentor ☐ has ☐ has not updated their SBA-approved business plan (e.g. SBA Form 1010C) for the most recently completed Program Year.

(iii) The Mentor has been ☐ suspended or ☐ recommended for suspension; if so, when: \_\_\_\_\_ (MM/DD/YYYY)

(iv) The Mentor was ☐ terminated or ☐ recommended for termination; if so, when:  
\_\_\_\_\_ (MM/DD/YYYY)

(v) The Mentor ☐ has ☐ has not met its Federal financial obligations.

(vi) The Mentor ☐ has ☐ has not met their non-8(a) business activity target of \_\_\_\_\_% for the most recently completed Program Year \_\_\_\_\_. The competitive business mix is 8(a) revenues: \$\_\_\_\_\_ non-8(a) revenues: \$\_\_\_\_\_

**(2) Complete only if Mentor is an 8(a) graduate:**

(i) ☐ Mentor was suspended on: \_\_\_\_\_ (MM/DD/YYYY)

(ii) ☐ Mentor was terminated on: \_\_\_\_\_ (MM/DD/YYYY)

(iii) ☐ Mentor was graduated on: \_\_\_\_\_ (MM/DD/YYYY)

d. A signed SBA Form 1623, *Certification Regarding Debarment, Suspension, and Other Responsibility Matters*, is submitted certifying that the Mentor ☐ has ☐ has not been debarred or suspended from participating in any Federal program. To verify status, the Excluded Parties List System (EPLS) at [www.epls.gov](http://www.epls.gov) was searched. A printed copy of the results is included in the file. The Mentor ☐ was ☐ was not listed in the EPLS.

e. Mentor ☐ has ☐ has not submitted copies of its original Corporate tax returns for the last two years signed and dated by an authorized officer of the company.<sup>1</sup>

f. Mentor ☐ has ☐ has not submitted a copy of the originally signed IRS Form 851, *Affiliations Schedule*, that was submitted to the IRS is included in the file (if applicable.)

h. Mentor ☐ has ☐ has not submitted a copy of the signed IRS Form 8879-C (*IRS E-File Signature Authorization for IRS Form 1120, U.S. Corporation Income Tax Return*) (if applicable.)

i. Mentor ☐ has ☐ has not submitted a signed IRS Form 4506-T (*Request for Transcript of Tax Return*)

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<sup>1</sup> *Pro Forma* tax returns are not acceptable. A copy of the actual tax returns that were filed with the Internal Revenue Service must be provided. If the taxes were filed electronically, a copy of the e-file certification should be submitted with a copy of the tax forms.

- j. Mentor's Federal tax returns for the last two years ☐ do ☐ do not (*Mentor's explanation below*) indicate a profit.<sup>2</sup>

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- k. The basis of accounting for tax purposes was ☐ accrual ☐ cash.

- l. The basis of accounting for financial reporting was ☐ accrual ☐ cash.<sup>3</sup>

- m. The Mentor's financial statements for the last two years have been evaluated. The statements are ☐ compiled ☐ certified<sup>4</sup> by a certified public accountant. Mentor has submitted financial statements for the years ending \_\_\_\_\_ and \_\_\_\_\_. Its financial condition is as follows:

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<sup>2</sup> It is SBA's policy that Federal tax returns are not the only indicator of the Mentor's favorable financial health. For a true picture, SBA also requires financial statements for the last two years.

<sup>3</sup> The basis for reporting taxes and financials should be the same. If not, the Mentor must resubmit their financial statements so that the method of accounting is consistent with their tax reporting.

<sup>4</sup> Compiled financial statements, also referred to as unaudited statements, are not audited adequately and no opinion on the quality of the financial statements is given. Financial statements that are certified are the ones that can be trusted to be the most accurate. These financial statements are reviewed and audited by a certified public accountant. When financial statements have been certified they have been reviewed to ensure the information is correct, true and reliable. Overall, certified financial statements can provide you with additional and more accurate information, in the form of notes, than compiled financial statements.

(1) Financials:

Years:	200X	200X
<b>Revenues:</b>	\$ _____	\$ _____
<b>Net Income:</b>	\$ _____	\$ _____
<b>Current Assets:</b>	\$ _____	\$ _____
<b>Total Assets:</b>	\$ _____	\$ _____
<b>Total Equity:</b>	\$ _____	\$ _____
<b>Current Liabilities:</b>	\$ _____	\$ _____
<b>Total Liabilities:</b>	\$ _____	\$ _____

(2) Ratio Analysis:

Current Ratio: <sup>5</sup>	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	\$ _____	\$ _____
	=	\$ _____	\$ _____
Debt to Equity Ratio: <sup>6</sup>	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	\$ _____	\$ _____
	=	\$ _____	\$ _____
Return on Assets <sup>7</sup>	$\frac{\text{Net Income}}{\text{Avg Total Assets}}$	\$ _____	\$ _____
			= _____ %

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<sup>5</sup> Current ratio measures the firm's solvency by indicating its ability to pay current debts from assets by measuring if it has enough assets to cover its liabilities. The standard current ratio for a healthy business is 2, meaning it has twice as many assets as liabilities. This ratio typically will not to exceed 5.

<sup>6</sup> Debt to Equity ratio measures the percentage of company assets financed by its creditors. Debt (total liabilities) of a business should not be more than 4 times the amount of equity. The higher ratio, the more excessive is the borrowing, the greater the risk of default.

<sup>7</sup> Return on Assets ratio indicates the productive use of business resources. Average Total Assets is calculated by adding total assets at the beginning of the Year 2 (*it would be the same as Total Assets at the end of Year 1*) to total assets at the end of the year 2 and dividing by 2. ROA can vary widely among companies. It is best to compare to industry average.

Return on Equity <sup>8</sup>	<b><u>Net Income</u></b>	\$ _____	\$ _____
	<b>Owner's Equity*</b>	\$ _____	\$ _____
		= _____%	= _____%

Return on Sales <sup>9</sup>	<b><u>Net Income</u></b>	\$ _____	\$ _____
	<b>Net Sales</b>	\$ _____	\$ _____
		= _____%	= _____%

- n. A ☐ business credit report ☐ Dun & Bradstreet report on the potential Mentor has been reviewed and is enclosed. State findings:

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- o. A copy of the Mentor's ☐ Central Contractor Registration ☐ Dynamic Small Business Profile has been reviewed and is included in the file.

- p. Two letters of commendation from \_\_\_\_\_ and \_\_\_\_\_ were submitted to show evidence of good character.

- q. The Mentor stated in paragraph \_\_\_\_\_ of the Agreement that it ☐ is (*fill in below*) ☐ is not participating in any other formal Mentor-Protégé Programs.

Agency's Name: \_\_\_\_\_ Name of Protégé: \_\_\_\_\_

Date of Agreement: \_\_\_\_\_

- r. The Mentor (and any of its affiliates) stated in paragraph \_\_\_\_\_ of the Agreement ☐ does (*fill in below*) ☐ does not have another SBA approved Mentor/Protégé Agreement.  
Protégé's Name: \_\_\_\_\_ 8(a) Case #: \_\_\_\_\_

- s. A narrative by the Mentor regarding its commitment and ability to assist the Protégé by sharing lessons learned and practical experience gained because of the 8(a) BD Program,

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<sup>8</sup> ROE measures the return earned on the owner's or shareholder's investment. It is best to compare to industry average. \*Owner's equity is also known as "net worth."

<sup>9</sup> ROS is a ratio widely used to evaluate a company's operational efficiency. ROS is also known as a firm's "operating profit margin." An increasing ROS indicates the company is growing more efficient, while a decreasing ROS could signal looming financial troubles. It is best to compare to industry average.



or through its general knowledge of government contracting has been reviewed and is included in the file.

- t. The Mentor has performed on the following Federal Government contracts (*list at least three*):

<u>Agency Name</u>	<u>Contract Number</u>	<u>NAICS Code</u>	<u>Period of Performance</u>	<u>Dollar Value</u>
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(1)

(2)

(3)

- u. The Mentor ☐ does (*explain below*) ☐ does not have any prior affiliation or relationship with the Protégé, including joint ventures or subcontracts.

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- v. The Mentor ☐ does (*fill in below*) ☐ does not own equity interest in the Protégé firm.

The percentage of ownership is: \_\_\_\_\_%

- w. Mentor ☐ does ☐ does not state in the Agreement that it will annually certify that it continues to possess good character and a favorable financial position, if the Agreement is extended by SBA.

### 3. The Agreement:

- a. A signed Mentor/Protégé' Agreement is submitted setting forth an assessment of the Protégé's needs and describing the assistance the Mentor commits to provide has been reviewed and is included in the file.
- b. The following **assessed needs** of the Protégé will allow the Protégé to meet its targets, goals and objectives as stated in their most recently SBA-approved business plan (e.g. SBA Form 1010C):

**(1) Management and Technical Assistance:**

(i) Need 1

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:* \_\_\_\_\_

(ii) Need 2

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:* \_\_\_\_\_

(iii) Need 3

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:* \_\_\_\_\_

(iv) Need 4

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:* \_\_\_\_\_

**(2) Financial Assistance:**

(i) Need 1

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

(ii) Need 2

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

(iii) Need 3

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

(iv) Need 4

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

**(2) Contracting Assistance:**

(i) Need 1

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

(ii) Need 2

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

(iii) Need 3

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

(iv) Need 4

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

**(4) General and Administrative Assistance:**

(i) Need 1

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

(ii) Need 2

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

(iii) Need 3

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

(iv) Need 4

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

(v) Need 5

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Meets objectives of business plan (SBA Form 1010C) *paragraphs:*\_\_\_\_\_

c. The Mentor agrees to provide Protégé with the **following developmental assistance:**

**(1) *Management and Technical Assistance:***

(i) Assistance 1

**METRIC**

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**TIMELINE:**

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(ii) Assistance 2

**METRIC**

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**TIMELINE:**

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(iii) Assistance 3

**METRIC**

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**TIMELINE:**

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(iv) Assistance 4

**METRIC**

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**TIMELINE:**

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**(2) *Financial Assistance:***

(i) Assistance 1

**METRIC**

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**TIMELINE:**

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(ii) Assistance 2

**METRIC**

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**TIMELINE:**

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(iii) Assistance 3

**METRIC**

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**TIMELINE:**

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(iv) Assistance 4

**METRIC**

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**TIMELINE:**

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**(3) Contracting Assistance:**

(i) Assistance 1

**METRIC**

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**TIMELINE:**

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(ii) Assistance 2

**METRIC**

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**TIMELINE:**

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(iii) Assistance 3

**METRIC**

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**TIMELINE:**

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(iv) Assistance 4

**METRIC**

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**TIMELINE:**

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**(4) *General and Administrative Assistance:***

(i) Assistance 1

**METRIC**

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**TIMELINE:**

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(ii) Assistance 2

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**TIMELINE:**

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(iii) Assistance 3

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**TIMELINE:**

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(iv) Assistance 4

**METRIC**

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**TIMELINE:**

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(v) Assistance 5

**METRIC**

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**TIMELINE:**

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- d. The Agreement ☐ does ☐ does not provide that either the Protégé or the Mentor may terminate the Agreement with 30-days advance notice to the other party and to SBA.
- e. The Agreement ☐ does ☐ does not state that the Mentor's assistance will be provided to the Protégé for at least one year.
- f. The Agreement ☐ does ☐ does not state that SBA must approve any modifications in advance.
- g. ☐ The Agreement includes the point of contact for the Protégé and Mentor, to include the address, phone number, fax number, and e-mail address.

Signatures and date:      Mentor \_\_\_\_\_      Protégé \_\_\_\_\_